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finally received its enlarged privileges in the second bank act of 1697. The close connection between the bank and the government was the secret of its stability and influence. Professor Rogers emphasizes the relationship between the politics of the day and the fortunes of the bank. The founders did not proceed on modern principles of banking. The capital was lent to the government; the security of the shareholders was the good faith of the government. "The bank was a Whig institution, devoted to the Whig settlement of the constitution and to the Whig administration" which created it. To this fact is to be ascribed much of the early opposition. The story of the notorious land-bank project of Chamberlain and Briscoe in 1695-96 is told with minuteness, and its temporary effect in depreciating the Bank of England stock carefully analyzed. With reference to general politics the greater portion of this period has been covered by Macaulay's brilliant work; but the years 1700-01 are treated by Professor Rogers with especial fulness, because of Macaulay's failure to complete his survey. The foreign politics and the course of foreign exchange are carefully followed and the explanation of the vicissitudes of the bank's fortunes is brought down to 1703, when it had finally attained an unassailable position and had become a regular instrument of the governmental policy. The whole essay rests on contemporaneous and often rare pamphlets and records and is a thoroughly good piece of work. It will be interesting to the historian and the economist alike.

E. R. A. S.

First, Second [two parts], Third, and Final Reports of the Royal Commission appointed to inquire into the Depression of Trade and Industry. London, 1886.—Folio, 229, 429, 428, 496, and lxxvii, 139 pp.

Report from the Select Committee on the Employers' Liability Act (1880) Amendment Bill. London, 1886.—Folio, xviii, 648 pp.

Reports by her Majesty's Representatives Abroad on the Laws regulating the Liability of Employers in Foreign Countries. London, 1886.—8vo, 94 pp.

Reports by her Majesty's Representatives Abroad on the System of Co-operation in Foreign Countries. London, 1886.—8vo, 139 pp.

Report of the Royal Commission on the Land Law [Ireland] Act, 1881, and the Purchase of Land [Ireland] Act, 1885. London and Dublin, 1887.—2 vols., folio, 24 and 1064 pp.

Inductive political economy cannot complain of lack of material during the past year. Besides the ordinary governmental publications, the

American Senate reports on labor and on interstate commerce, the great French *enquête* on trades unions, *etc.*, we have had the above important English blue-books on trade depression, employers' liability, co-operation, and Irish land tenure. The value of such reports to the economist does not lie at all in the conclusions reached by the particular committee or commission; but in the testimony of experts, the explanations by government officials of their own figures, and the trustworthy accounts of the contemporary condition of things in all other countries. Recent political economy, especially the German, has not hesitated to avail itself of these opportunities; and whole books, like Marx's *Das Kapital*, Cohn's *Englische Eisenbahnpolitik*, and Held's *Zur Socialen Geschichte Englands*, have been practically written out of parliamentary investigations.

From this point of view, even the voluminous reports of the commission on the *Depression of Trade* will be found of interest. Of really permanent value are Mr. Giffen's account of the present methods of collecting statistics in Great Britain, with the list of the publications of the Board of Trade; Mr. Seldon's evidence as to the value of the statistics of imports and exports; and Mr. West's testimony in regard to the collection and incidence of the income tax. These gentlemen are the official heads of the departments concerned. Of expert testimony, we have Sir Lowthian Bell on the iron trade, Sir James Caird on agriculture, and R. Inglis Palgrave on silver. To the close student of economics the whole mass of testimony is interesting as showing how difficult it is to apply general principles to the complex phenomena of modern industrial life. The mental struggles of some of the witnesses also are very amusing. The British philistine still sticks to his free-trade dogma and his belief in the industrial supremacy of England; but he is sorely puzzled to explain how Germany undersells him in the neutral markets. The explanation of one witness is as follows:

Germany in 1866 became a confederated nation; it had a feeling that it was a nation, and it seemed to have got a determination in it that it would do things which it hitherto had not done. It would found manufactures, it would have a voice in the world industrially as well as politically. That feeling was greatly increased in 1870 to my knowledge, and it has not yet ceased to exist up to the present time. The call which has been made by Germany for colonies, whatever we may think of it, is produced by the same circumstance that Germany is a nation, which has to show the world that it is a nation, and that it can now manufacture and export. There is no country, on the other hand, I think, which is more bound to produce cheaply than Germany, and that is what Germany does. It is by cheapness, and by obtaining cheapness in various ways, that it manages to do what it notoriously has done; that is, that it sells iron outside Germany, that it sells cotton outside of Germany, particularly hosiery, and that it sells woollens outside Germany;

but that is really done by means which other nations do not adopt. For instance, the exporting rates on railways for goods are cheaper than the importing rates. When tenders are made by the government for railways or for works in the country in Germany, the same firm will tender at 10 marks per ton dearer than it would tender for the same thing if it was to be furnished to a firm in Italy, or to a firm in England. [First Report, page 65.]

The belief in the single gold-standard dogma, on the other hand, has been severely shaken by the continued low prices ; while Mill's doctrine that there can be no such thing as over-production is practically abandoned by both witnesses and commission. Much to their credit, the majority of the manufacturers deprecate any move towards breaking down the factory laws, although some of them look with rather longing eyes at the eleven and twelve hour working day in Germany, and Professor Bonamy Price protests against the refusal of the commission to consider the expediency of breaking down these laws, declaring such refusal to be a "distinct repudiation of the great doctrine of free trade." (Final Report, page xliii.) How free trade works in practice is brought out clearly in the following testimony :

2271. Can you give us any information with regard to the association which we understand has been formed for the purpose of distributing the orders received for the manufacture of rails? — I had something to do with the origin of that association, and the conduct of it since. It was formed two years ago, at which time steel rails were being sold at less than 4*l.* per ton at the works, that price, I believe, being a loss to the parties selling them varying from 5*s.* to 10*s.* a ton. The quantity of rails that were required then had fallen off to only about one-third of what it had been in previous years ; we were all of us working nothing like half time, and when orders came in it became a question : Is it better to take these orders at a known loss or let the works stand and have an indirect loss in that way? The competition became so keen that we got down to less than 4*l.* a ton at the works. After some time the makers in England, all except one firm, agreed to join the association, and it was decided to endeavour to associate the Belgians and the Germans with us as being the only two countries that exported rails. It ended, after taking the figures of three years of the exports from the three countries, that Great Britain kept 66 per cent of the entire export trade. Belgium had 7 per cent and Germany 27 per cent. . . . The next thing that we had to do, having agreed upon what proportion each country was to have of the orders of the world, was to agree amongst ourselves how we should divide those orders, and we thereupon assessed the capabilities of each work, each company representing a certain number of parts out of 100 parts. The effect of this has been that we have gone on for two years dividing the orders in something like a proper proportion, and we have maintained a price of 4*l.* 13*s.* a ton at the works, it having been when we began 4*l.* [Second Report, part i, page 60.]

The whole report shows that England has lost or is losing that easy supremacy which she has enjoyed for so many years, and is about to enter on a period of close competition and arduous industrial exertion if she is to support her increasing population.

The committee on the *Employers' Liability Act* of 1880 report that that act has been of great benefit to the workmen, and has inflicted no hardship on the employers ; and they recommend its extension to "seamen and all persons, including omnibus and tramway servants, who have entered into or work under a contract of service made with the employer, either verbal or in writing, and whether the work be performed in the employer's workshop or elsewhere, and whether involving manual labor or not." This is a wide extension, and speaks well for the working of the present act.

The committee make various proposals for amending the act, in order that it may accomplish its purpose more effectually ; and the reasons for such amendments are well brought out in the testimony. The committee found that employers compelled their workmen to contract themselves out of the act. In some cases the only consideration was employment ; in other cases the employers, in return, contributed to a workmen's insurance fund. The first proceeding the committee emphatically condemn, and recommend that it be forbidden. The second course does not seem to be disadvantageous to the workman, provided the employer's contribution is reasonably large. It saves all expense of litigation, and it secures the workmen in case of accidents for which the employer is not liable, *e.g.*, from the carelessness of fellow-workmen. One solicitor, who had a large practice under the act, testified that in not more than one case out of ten of general accidents was there a right of action under the liability act ; and that the workman does not succeed in more than one case out of five or six under that act. Where the employer will contribute a reasonable proportion to a workman's insurance fund, the committee recommend that contracting out of the act be allowed.

It was found that employers, especially in the building trade, evaded the act by subletting the work. The sub-contractors were men of straw, having no capital, but using the employer's plant ; but they were the defendants in case a workman was injured. The committee recommend that the employers who furnish the plant shall be held responsible.

Various other amendments were intended to make the remedy easier and more effective.

The reports from abroad, on the laws regulating the liability of employers, are useful chiefly as showing how differently they do things there. In Germany, for instance, they have adopted the very principle which in England is looked upon as doing away with the act, *viz.*, com-

pulling the employer to contribute to the insurance of his workmen. There, also, they have no thought of allowing employers to abrogate laws by compelling their employees to contract themselves out of them ; but, on the other hand, they allow employers to join an insurance company, and thus secure themselves against heavy loss, a thing which was complained of in England because the insurance company was a more obstinate defendant than the individual employer. In short, the two systems are directly the reverse of each other. Each is perhaps suited to the genius of the people for whom it was made.

The report on *Co-operation* is a useful compilation, giving the history of co-operative experiments in different countries. The record shows considerable progress, together with numerous failures. Each country has its characteristic features. In France, for instance, co-operative stores are not of very great importance, credit banks have for the most part failed, and building societies are almost unknown ; while the most successful examples we have of profit-sharing and productive co-operation are the establishment of M. Godin, at Guise, and the well-known paint-shop of Leclaire. In Germany, the Schulze-Delitsch banks are the only really important and successful co-operative enterprises. Profit-sharing has been largely a failure, owing, as the manufacturers think, to the prevailing socialistic feeling that the state is about to ameliorate the condition of the working classes. There are in Germany but thirty-three building societies ; in Austria, but five. On the other hand, it is well known that co-operative stores have been extremely successful in Great Britain, and building societies in the United States. Co-operation thus appears to be largely dependent on peculiar circumstances for its success — a result which is hardly in favor of its claim to be regarded as the universal industrial system of the future.

The testimony before the *Irish Land* commission was as contradictory and perplexing as is the Irish question itself. The land bill of 1881 is generally declared to be a failure, although it has reduced rents nearly twenty per cent. The original definition of "fair rent" was what the tenant could pay taking one year with another ; but, owing to the low prices of the last two years, the land court is now fixing rents lower than at first, which makes the tenants whose rents were fixed in 1881 discontented. Should prices recover next year, we should have the anomaly of two sets of tenants with statutory "fair rents," — one set paying ten per cent more than the other, because the rents of the latter set were fixed in a bad year. Justice O'Hagan seems to acquiesce in these later reductions, but has no suggestion to offer as to what should be done for the first tenants.

The majority of the commission recommend that the rents should be readjusted at shorter intervals than the statutory term of fifteen years ;

say once in five years. It would not be necessary to go to the expense of making a revaluation; rents could be raised or lowered according to the price of agricultural produce. But the Earl of Milltown points out, in a minority report, that high prices might be caused by short crops, and that the consequent high rents in this case would be ruinous to the tenant; while low prices might mean abundant crops and perfect ability to pay the statutory rents. In short, under a "fair" rent the tenant has no right to demand reductions on account of temporary bad times any more than the landlord has to demand advanced rents in good years.

Everybody denounces the dual ownership. The landlord has lost interest in an estate which is no longer under his control, and will make no improvements. The tenant does not feel the stimulus of proprietorship, and delays acquiring ownership because he believes the landlord is being steadily driven to the wall, and will finally part with the land on cheaper terms than now, or else throw the burden on the state. It is to be hoped that our socialistically inclined friends will ponder over this example of the extent to which the "State" is at the mercy of the individual when there is enough "Individualism" left to keep an eye out for the main chance.

R. M. S.

À Panama. L'Isthme de Panama. La Martinique. Haiti.

Lettres adressées au Journal des Débats. Par G. DE MOLINARI. Paris, Guillaumin et Cie, 1886. — 16mo, xi, 324 pp.

This book is made up of letters written by the accomplished editor-in-chief of the *Journal des Economistes*, describing a formal visit to the Isthmus of Panama.

In 1886, De Lesseps, the versatile head of the Panama Canal enterprise, took out a party of invited guests—representatives of the chambers of commerce of several French cities, economists, journalists, and others whose position gives them influence on public opinion in France—on a tour of inspection to report the progress and condition of the undertaking which is making such demands on French capital. Professor de Molinari was invited by double right,—as an eminent economic authority and a journalist of wide influence.

The book, which is an unambitious but very readable performance, gives a good account of the history, progress, and present condition of the great enterprise. The author saw the canal under the most favorable circumstances, with an accompaniment of banquets, processions of young girls in white, addresses of welcome to "le grand Français," that remarkable man, De Lesseps; but he gives in figures and statements sufficient substantiation for the opinions he expresses. He has no doubt